

# CALIFORNIA

## RURAL COUNTIES TASK FORCE

**CELIA McADAM, CHAIR**  
**PLACER COUNTY TRANS. PLANNING AGENCY**  
**(530) 823-4030; cmcadam@pctpa.org**

**GEORGE DONDERO, VICE CHAIR**  
**CALAVERAS COUNCIL OF GOVERNMENTS**  
**(209) 754-2094; gdondero@calacog.org**

**PAM COUCH, SECRETARY**  
**MODOC COUNTY TRANSPORTATION COMMISSION**  
**(530) 233-6422; couch@hdo.net**

### AGENDA

**JANUARY 17, 2003**

**3:00 pm**

*(or immediately following the CTC Workshop)*

*Note Change in  
Time and Location!*

**Caltrans District 3 Office**  
**2800 Gateway Oaks Drive, 1<sup>st</sup> Floor**  
**Sacramento, CA**  
*(same location as the CTC Workshop)*

3:00 pm	A.	Self Introductions	
3:05 pm	B.	Approval of Minutes <a href="#">September 20, 2002</a> <a href="#">November 15, 2002</a>	P. Couch P. Couch
3:10 pm	C.	Election of RCTF Officers for 2003	C. McAdam
3:20 pm	D.	Regional Council of Rural Counties (RCRC)/RCTF Coordination Activities	G. Dondero C. McAdam
3:30 pm	E.	State Budget Crisis Transportation Impacts	All
4:15 pm	F.	Status Report on RCTF Issues	See attached list
4:30 pm		Adjourn	

**DRAFT**  
**California Rural Counties Task Force**  
**November 15, 2002**

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To: Rural Counties Task Force Participants

From: Celia McAdam, Chair

SUBJECT: Election of RCTF Officers for 2003

### Issue

Under the policy approved by consensus of the RCTF members in January 2002, the Chair and Vice Chair of the Rural Counties Task Force serve for two year terms, with the automatic nomination of the Vice Chair for the position of Chair at the completion of that term. The Secretary serves for a one year term.

### Discussion

The terms of all RCTF officers end this month. Outgoing Chair Celia McAdam will conduct an election for the new Chair, who will then conduct elections for Vice Chair and Secretary.

In accordance with RCTF policy, Vice Chair George Dondero has agreed to be nominated as Chair for 2003-2004.

The position of Vice Chair and Secretary are open to nomination. Kathy Matthews of El Dorado County Transportation Commission has expressed interest in the Vice Chair nomination. Others interested in either of these officer positions are encouraged to contact Celia McAdam (530.823.4030; [cmcadam@pctpa.org](mailto:cmcadam@pctpa.org)) prior to the January 17 meeting.

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To: Rural Counties Task Force Participants

From: Celia McAdam, Chair

SUBJECT: Regional Council of Rural Counties (RCRC)/RCTF Coordination Activities

## Issue

RCTF has technical expertise on transportation. RCRC has governmental relations experts/lobbyists. Both of our groups champion rural issues. Many RCTF member agencies have Boardmembers that also sit on RCRC. This presents a terrific potential for increasing our effectiveness with the State Legislature on issues of shared interest.

## Discussion

George Dondero and Celia McAdam will be making a presentation to the RCRC Board of Directors on January 15 to discuss what RCTF does, and the potential for formally sharing resources and expertise.

George and Celia will provide a recap of this discussion.

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To: Rural Counties Task Force Participants

From: Celia McAdam, Chair

SUBJECT: State Budget Crisis Transportation Impacts

### Issue

As most of you are now aware, the State of California has now determined there will be a "greater than \$21 billion" shortfall in the state budget. On December 6, the Governor announced a Mid Year Spending Proposal to try to make up for some of this shortfall. The \$10 billion reduction proposal includes \$1.8 billion in transportation cuts. Since that announcement, the shortfall estimate has now risen to approximately \$34 billion, which makes additional cuts a possibility.

The transportation community has been scrambling to determine exactly what this means, both on a broad scale and on a project level. The California Transportation Commission has scheduled a workshop for January 17, immediately preceeding the RCTF meeting, to focus on these impacts.

### Background

The following information was sent to all RCTF members via e-mail in mid-December, and is again provided as a backdrop to the state budget impacts on transportation.

### **Current Situation**

The current STIP fund estimate far overestimated the amount of money that is now coming in. At the current rate of allocation, the State Highway Account, which funds STIP projects, is projected to have a negative balance of \$173 million by June 2003. By June 2004, the fund will be short \$634 million.

The fund estimate shortfall, plus the budget cuts, means drastic action is necessary.

### **The Governor's Proposal**

- Eliminates the Traffic Congestion Relief Program (TCRP) funding for FY 2002/03 and 2003/04
- Reduces anticipated contributions to the State Highway Account from the TCRP by \$147 million in FY 2003/04
- Eliminates the FY 2003/04, and remainder of FY 2002/03 allocation from the State Highway Account (via TCRP) for local streets and roads

In the current fiscal year, the Governor's Proposal would leave the State Highway Account with a cash balance of a mere \$11 million. In FY 2003/04, the deficit would be \$569 million.

### **SO WHAT DOES THIS MEAN TO RURAL COUNTIES?**

- 1) **There is a lot still up in the air.**  
While the Governor has made this proposal, the legislature has not had time to respond, let alone act. An initial response is expected by January 10.



## STATE BUDGET CRISIS

### Page two

Caltrans and the CTC are scrambling to try and analyze the proposals and get a handle on the impacts of various options. The Rural Counties Task Force will be deeply involved in these discussions, but it is likely no solid action will be taken in the next few months.

Faced with all these unknowns, the CTC has taken the following actions to keep things at status quo until we come to agreement on how to deal with the shortfall:

- Action on STIP allocations for FY 2002/03 have been tabled until February
- No advances on STIP allocations from later years will be granted until further notice
- Delegated allocations for Caltrans have been suspended for 6 months
- The CTC will hold a special workshop on January 17 to begin working out an equitable system of dealing with these budget issues

#### 2) **Everyone is going to take a hit.**

The first and most immediate impact is the elimination of the additional funds for local streets and roads that came through the Governor's Traffic Congestion Relief Program (TCRP). This will impact every jurisdiction proportionately. Jurisdictions received their first quarter payment in 2002/03, but the remaining payments for this FY will not be forthcoming.

Since the TCRP also put some additional funds into the STIP, our county shares will also be affected.

By far the biggest hit will be taken by those counties with TCRP project earmarks; as it has turned out, perhaps it was good that rural counties did not receive any.

#### 3) **STIP Impacts will likely occur with the 2004 cycle**

While this will be further discussed at the CTC workshop and subsequent meetings, the early speculation is that the downward adjustments to the fund estimate will be implemented with the 2004 STIP cycle, set to be released this summer. We can expect a situation similar to 1994, with zero additional programming capacity. It is also possible it will be a rerun of 1996, where projects had to be eliminated from the STIP.

The tricky part of the 2004 STIP cycle will be how the TCRP projects are dealt with. Under the Governor's budget proposal, that funding is eliminated, so those projects are no longer funded. TCRP project sponsors, many of whom have already started work on those projects, will be under tremendous pressure to find room in the STIP. If so, that should be done within that county's existing county share.

Rural counties should be vigilant to ensure that TCRP projects moved into the STIP will not have any negative effect on the distribution of county shares. This will include monitoring of the actions of the legislature, who may exert their interests in individual TCRP projects as part of the budget debate.

#### 4) **Sales Tax Thresholds**

One spin on the current situation is that, as the legislature grapples with these budget deficits, they may be far more likely to allow counties to generate their own funding by lowering the threshold for transportation sales tax approval from its current 2/3, to a more reasonable 50% or 55% majority. Senator Burton and Assemblyman Longville have both indicated willingness to reintroduce this legislative proposal in the current session.

### Discussion

Task Force members will discuss the outcome of the CTC Workshop and brainstorm on how rural counties may best react to the situation.

**RCTF ISSUES AND OBJECTIVES**  
**Report for January 17, 2003**

**Issue/Objective**

Interregional Transportation Strategic Plan (ITSP)  
Rural Transit (FTA 5310, Welfare to Work, CalACT)

Darin Grossi, Tuolumne

CalCOG Activities  
TEA Advisory Committee

Phil Dow, Lake & Mendocino

California Transportation Investment Strategy (CTIS)

George Dondero, Calaveras

City/County/Caltrans/FHWA Coordinating Group and  
Local Assistance "Enhanced Training Committee"

Spencer Clifton, Humboldt

Interregional Strategic Transportation Plan (ITSP)

Charles Field, Amador

Federal Aid Project Streamlining  
TEA-3 Federal Reauthorization  
Transportation for Economic Development Committee  
Quality Assurance Oversight Committee

Celia McAdam, Placer